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Tepid Implementation of the Domestic Wheat Quality Standardization Regulation

Report Categories:

Grain and Feed

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Report Highlights:

The Regulation on Domestic Wheat Quality Standardization was developed with the aim to improve farmers' competitiveness through standardization. The Royal Decree that might ultimately encourage more specialized wheat plantings in Spain has had only a tepid implementation throughout the country since its enforcement in July 2011.

General Information:

The Ministry of Environment and Rural and Marine Affairs (MARM) along with other agents within the grain sector identified the lack of standardization as a critical factor that was discouraging the use of wheat varieties more adapted to the processing industry requirements, certified seeds and other agricultural inputs and technology that would improve the quality of domestic wheat production.

Wheat is Spain's second largest grain crop, after barley. However, over the past five years Spain has, on average, imported 4.6 million MT of wheat each marketing year for food and feed purposes. Due to the country's structural grains shortfall, all national wheat can ultimately be sold to the feed industry, which discourages pursuing differentiated marketing niches. Traditionally, domestic wheat has been traded considering the variety instead of groups that met the quality requirements of the processing industry.

Unlike some other European Member States, Spain is a net importer of food and feed-quality wheat. Most of Spain's main suppliers, including France, the United Kingdom and the United States, use similar classification standards that facilitate a more transparent and efficient trade. Foreign countries' classification systems have been considered as a reference to create Spain's wheat standardization.

The Spanish Wheat Quality Standardization System

The ultimate goal of the quality standardization of Spanish wheat is that objective typified differences in quality result in price differences that, driven by supply and demand, would be an advantage to farmers in terms of added value of their production.

The scope of the regulation includes soft and durum wheat. It establishes five types and four subtypes for soft wheat and four types and four subtypes for durum. The parameters considered to classify soft wheat in each category include protein content, alveograph parameters (W, P/L), falling number, and degradation of protein. Humidity, specific weight and foreign material are considered for soft wheat subgroups. Protein content, specific weight, vitreosity and Global Quality Index (GQI) are the parameters considered to classify durum wheat into four categories. Humidity, ash content, falling number, foreign material content, presence of other grains and shrunken and broken kernels determine the subgroup for durum wheat.

Table 1. Soft Wheat Categories

Group	Protein (%)	W	P/L	Falling Number (s)	Protein Degradation (%)
1	≥13	≥300	≤ 1.5	≥250	<15
2	≥12	200≤W<300	≤ 1.2	≥250	<15
3	≥11	100≤W<200	≤ 0.8	≥250	<15
4	≥10	<100	≤ 0.5	≥250	<15
5	Other than 1, 2, 3 or 4				

Source: Royal Decree 1615/2010

Table 2. Durum Wheat Categories

Group	Protein (%)	Specific Weight (%)	Vitreosity (%)	GQI
1	≥13	≥80	≥80	≥105
2	≥12	≥78	≥75	≥100
3	≥11	≥77	≥60	≥98
4	Other than 1, 2 or 3			

Source: Royal Decree 1615/2010

The Royal Decree on Domestic Wheat Quality Implementation includes two Appendixes for soft and durum wheat that link the wheat variety with its theoretical potential classification under the standardization system. Producers, buyers and distributors should consider that the genetics of the wheat variety planted can only partially determine the final quality of the grain. Final quality characteristics will strongly depend on the agro-climatic conditions under which the crop is grown.

Only lab test results following the reference testing methods established in the Royal Decree will determine the type of wheat.

Pace of Implementation and Impact in Trade

The Royal Decree on Wheat Quality Standardization is mandatory, but no fines are imposed in the event of non-compliance. The Royal Decree 1615/2010 was published in the Official Spanish Gazette in December 2010 and entered into force on July 1, 2011, coinciding with the beginning of the wheat marketing year. Due to the delay in its publication, the effect on winter grains planting decisions was limited and, since domestic grain traders and grains markets had only six months to adapt their price tables to the new standards, it resulted in a rather poor implementation of the regulation throughout the country.

Exceptions to this rule are seen in traditional durum wheat areas, such as Andalusia, where buyers and producers have rapidly started using the new rules to standardize wheat and trade is already being carried out in accordance to the categories set by the Royal Decree.

The pace of implementation is being slower in those areas specialized in feed quality wheat or milling wheat or where wheat is not as frequently traded. Meanwhile, an increased production of higher quality wheat production might be encouraged by this regulation; only a progressive implementation throughout the years is anticipated. Significant impacts on trade relations with traditional suppliers are yet to be seen.